

# **EXHIBIT 7**



IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

IN RE: ALTA MESA §  
RESOURCES, INC. § CASE NO. 4:19-cv-00957  
SECURITIES LITIGATION §

ORAL AND VIDEOTAPED DEPOSITION OF MILES PALKE 30(b)(6)  
JUNE 13, 2023

ORAL AND VIDEOTAPED DEPOSITION OF MILES PALKE  
30(B)(6), produced as a witness at the instance of the  
Plaintiffs and duly sworn, was taken in the above styled  
and numbered cause on Tuesday, June 13, 2023, from  
9:39 a.m. to 4:06 p.m., before Janalyn Elkins, CSR, in  
and for the State of Texas, reported by computerized  
stenotype machine, viz Zoom, pursuant to the Federal  
Rules of Civil Procedure and any provisions stated on  
the record herein.

**Exhibit  
CP 819**  
Fiebig



[PAGES OMITTED]



<p style="text-align: right;">Page 30</p> <p>1 A. So at the time -- okay. So I'm trying to think 2 of how to describe this. So one -- the stack was 3 considered to be an unconventional reservoir. And in 4 unconventional reservoirs, one of the early questions 5 you always end up asking is, how many wells can we place 6 in a section before we start diminishing the results per 7 well? 8 And the number that Alta Mesa was proposing 9 to us for a proved well spacing would be four wells per 10 section. And we were in agreement that that was a 11 reasonable number to start with, which would mean four 12 horizontal wells laid out kind of evenly spaced across 13 one section of land, each well being horizontal and 14 being approximately a mile long, so spanning the 15 section. 16 But every unconventional reservoir has gone 17 through processes where operators tried to figure out is 18 it -- is it four wells per section or is it six or is it 19 eight or is it 12? And the reservoir engineering, the 20 basic physics, indicates there's going to be a point 21 where you start reaching a diminishing return and 22 additional wells are not really providing the same 23 benefit that the prior wells did. 24 And so at this time for proved reserves, 25 both parties were aligned in terms of using four wells</p>	<p style="text-align: right;">Page 32</p> <p>1 they asked for eight wells per section, 12 wells per 2 section, is that the sort of analysis that Ryder Scott 3 would be able to provide to Alta Mesa? 4 MR. FOERSTER: Objection, form. 5 THE WITNESS: We could have done further 6 technical work to estimate recovery at higher -- at 7 higher well counts. 8 Q. (BY MR. BRODEUR) Okay. Alta Mesa simply did 9 not ask Ryder Scott to do that analysis? 10 A. No, we weren't -- we weren't requested to do 11 that. 12 Q. Okay. So going into the third quarter of 2016, 13 did Ryder Scott's analysis suggest that Alta Mesa should 14 expect to recover about 250,000 barrels of oil per well 15 if it were to drill more than four wells per section? 16 MR. ELKIN: Objection, form. 17 THE WITNESS: I would like you to repeat 18 that, actually. 19 Q. (BY MR. BRODEUR) Sure. So going into the 20 third quarter of 2016, did any of Ryder Scott's analyses 21 suggest that Alta Mesa should expect to recover about 22 250,000 barrels of oil per well if it were to drill more 23 than four wells per section? 24 MR. FOERSTER: Objection, form. 25 THE WITNESS: I don't think we did any work</p>
<p style="text-align: right;">Page 31</p> <p>1 per section for proved reserves. 2 Q. Thank you. Could you use this same methodology 3 to assume that if Alta Mesa were to drill eight wells 4 per section, it could expect to recover about half of 5 that 243 or 121.5 thousand barrels of oil per well? 6 MR. FOERSTER: Objection, form. 7 Sorry, Mr. Palke. 8 THE WITNESS: No, that's fine. 9 You'd need more technical analysis that we 10 weren't really asked to do because the other thing that 11 should happen with additional wells is your recovery 12 factor should actually increase as you drill additional 13 wells. So the 975,000 would also be expected to climb. 14 The other thing is that there's probably a 15 reasonable amount of uncertainty in the 13 million 16 barrels per section. So it's kind of hard to say with 17 further analysis if what you're saying would hold up or 18 it would simply become, you're going to get a million no 19 matter how many you drill or you're going to get it 20 with -- or as you drill eight, you're now going to get 21 twice as much. But those aren't analyses we performed 22 for Alta Mesa. 23 Q. (BY MR. BRODEUR) If Alta Mesa had asked Ryder 24 Scott to perform such analyses in terms of more wells 25 per section, eight is just a number I picked, but if</p>	<p style="text-align: right;">Page 33</p> <p>1 along -- along those lines. 2 Q. (BY MR. BRODEUR) Going into the third quarter 3 of 2016, had Ryder Scott told anyone at Alta Mesa that 4 Alta Mesa should expect about 250,000 barrels of oil per 5 well if Alta Mesa drilled more than four wells per 6 section? 7 MR. FOERSTER: Objection, form. 8 THE WITNESS: I don't think so because the 9 only analysis we did was for four wells per section on 10 proved acreage. 11 Q. (BY MR. BRODEUR) Was it Ryder Scott's practice 12 to -- strike that. 13 Do you see the bold heading about halfway 14 down the page that reads, "2016 YE"? 15 A. Yes, sir. 16 Q. And YE is year end? 17 A. Yes, sir. 18 Q. Okay. Did Ryder Scott conduct an audit for 19 Alta Mesa relating to its proved reserves as of the end 20 of 2016? 21 A. Give me a second to look at what follows. 22 Q. Okay. Yeah, please read the paragraph to 23 yourself and let me know when you're done. 24 A. I'm done. 25 Q. Do you see that the first sentence reads,</p>



[PAGES OMITTED]



<p style="text-align: right;">Page 50</p> <p>1 long.</p> <p>2 Q. Did you speak with Mr. Turner on the phone</p> <p>3 between the time he sent this email that is at the top</p> <p>4 of Exhibit 632?</p> <p>5 A. It's not impossible, but I don't recollect</p> <p>6 speaking to Mr. Turner on the phone that day until maybe</p> <p>7 later that day to discuss the 10-K that we were kicking</p> <p>8 around at the time.</p> <p>9 Q. Okay. What did you discuss with Mr. Zajac?</p> <p>10 A. So what I recollect discussing with Mr. Zajac</p> <p>11 was him asking us questions about how -- you know, about</p> <p>12 probable well counts and numbers of wells and, you know,</p> <p>13 these were things that we had not done any prior work on</p> <p>14 for probable wells or possible wells. And that's -- I</p> <p>15 think the basis of the conversation was we said, well,</p> <p>16 we don't know what you're going to get with 12 wells per</p> <p>17 section because -- or eight wells per section -- and</p> <p>18 those numbers are off the hip. I don't remember the</p> <p>19 specifics. But we hadn't done any technical work on it,</p> <p>20 so we didn't have much to say.</p> <p>21 Q. Did you discuss the reasonableness of the -- of</p> <p>22 the assumption of four wells per section and the earlier</p> <p>23 estimate of 250,000 barrels of oil per well?</p> <p>24 A. We -- we -- I -- we may have discussed that. I</p> <p>25 don't recollect it clearly.</p>	<p style="text-align: right;">Page 52</p> <p>1 wells, was really -- had specific benches within it that</p> <p>2 we were targeting.</p> <p>3 Q. (BY MR. BRODEUR) Okay. Would the number of</p> <p>4 benches impact Ryder Scott's evaluation of Alta Mesa</p> <p>5 estimated proved reserves?</p> <p>6 MR. FOERSTER: Objection, form, calls for</p> <p>7 speculation.</p> <p>8 THE WITNESS: I think -- I think that</p> <p>9 objection was pretty much right. We didn't work on it.</p> <p>10 We weren't asked to work it that way. So without having</p> <p>11 worked it that way, it's impossible to say what our</p> <p>12 results would have been had we worked it that way.</p> <p>13 Q. (BY MR. BRODEUR) Okay. In your personal</p> <p>14 experience in your work for other clients, do you</p> <p>15 sometimes consider the number of benches within a</p> <p>16 formation in evaluating estimates of proved reserves?</p> <p>17 A. For other formations I've worked on, yes, it</p> <p>18 matters.</p> <p>19 Q. And why would it matter?</p> <p>20 A. So certain -- certain basins, the intervals can</p> <p>21 be very, very thick and, therefore, for instance, if you</p> <p>22 add up all the oil and all the different benches, it's a</p> <p>23 very sizeable number, and it may require more wells to</p> <p>24 efficiently exploit it.</p> <p>25 Q. And would the number of benches affect the</p>
<p style="text-align: right;">Page 51</p> <p>1 Q. Okay. Do you see where Mr. Turner refers to</p> <p>2 the reasonableness of three benches in the lower email?</p> <p>3 A. Let me read that, please.</p> <p>4 Q. I'm referring to the email at the bottom of the</p> <p>5 page.</p> <p>6 A. Yeah, I've read that.</p> <p>7 Q. Do you understand what Mr. Turner meant by,</p> <p>8 quote, reasonableness of three benches?</p> <p>9 MS. PRESTON: Objection, form.</p> <p>10 THE WITNESS: The reasonableness --</p> <p>11 THE REPORTER: Who was that that objected?</p> <p>12 MS. PRESTON: Katy Preston.</p> <p>13 THE WITNESS: I don't know if there was</p> <p>14 necessarily clear understanding of reasonableness. And,</p> <p>15 I mean, that's not a particularly specific word.</p> <p>16 Benches is a common language for unconventional</p> <p>17 reservoirs where you can de-separate what is, otherwise,</p> <p>18 a big thick formation into smaller -- we'll call them</p> <p>19 zones for this conversation that have differing</p> <p>20 properties and may be -- may or may not be in</p> <p>21 communication with one another.</p> <p>22 So I understood the conversation about</p> <p>23 benches, but we had not really done any of our work</p> <p>24 based on the assumption that the Mississippian</p> <p>25 formation, which was the target of these horizontal</p>	<p style="text-align: right;">Page 53</p> <p>1 volumetric estimate of original oil in place, in</p> <p>2 general?</p> <p>3 MR. FOERSTER: Objection, form.</p> <p>4 THE WITNESS: There's not a good answer to</p> <p>5 that because it depends on who -- what matters -- you</p> <p>6 know, what would matter is a combination of the overall</p> <p>7 thickness with the -- what are called petrophysical</p> <p>8 properties as well as how they vary with the depth or</p> <p>9 over the thickness and how you -- how many -- how many</p> <p>10 layers you slice an overall cake into doesn't change how</p> <p>11 thick the cake is, in your analogy is stack them.</p> <p>12 Q. (BY MR. BRODEUR) In your analogy the layers of</p> <p>13 the cake are the benches?</p> <p>14 A. Could be, yes.</p> <p>15 Q. Okay. Did Ryder Scott ever discuss with Alta</p> <p>16 Mesa prior to this email whether there were three</p> <p>17 benches in Alta Mesa's Oklahoma acreage?</p> <p>18 A. I don't -- I don't know the answer to that. I</p> <p>19 suspect not.</p> <p>20 Q. Okay. In preparing for -- back in 2019 in</p> <p>21 preparing for your conversation with Mr. Zajac, did you</p> <p>22 discuss with any current or former Ryder Scott personnel</p> <p>23 whether they ever thought there were three benches in</p> <p>24 Alta Mesa's Oklahoma acreage?</p> <p>25 A. I'm sure we did not because, you know, we --</p>